GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1241
ANSWERED ON:08.03.2002
DEVIATION FROM PRUDENTIAL NORMS.
RAMJI MANJHI

Will the Minister of FINANCE be pleased to state:

(a) whether the information has since been received from the banks and if so, the details thereof;

(b) the action taken thereon;

(c) the details of discrepancies found/noticed in the information received from the said 101 banks; and

(d) the action taken thereon by the RBI ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a),(b),(c)&(d): According to the Reserve Bank of India (RBI) as on 31st January, 2001, thefollowing three banks had exceeded the 5% ceiling stipulated by RBI for exposure to capital market:-

(Rs. in crores)

S.No.	Name of Bank	Capital Market Exposure	Level % to Total Advances
1	Karnataka Bank Ltd.	144.00	5.87
2	Bank of America	171.00	5.04
3	Development Credit Bank	138.00	8.28

RBI had called the explanations of these banks. The over exposure of Karnataka Bank Ltd. and Bank of America was marginal.These banks by 31st March, 2001 brought down their exposure to 5% level. The Development Credit Bank Ltd. brought down its exposure to capital market to 3.93% as on 21st May, 2001.